

### **Testimony of Harry Weikel**

Mr. Chairman and members of the Committee, my name is Harry Weikel and I hold the position of General Manager for Holiday Companies. I oversee the operations of the Holiday Stationstore located at Highway 41 and Third Street in Ishpeming, Michigan. I also live in Ishpeming at 663 Duncan Avenue and I am a life-long, 59 year Michigan resident.

I would also respectfully request that the Committee vote favorably on HB5851. I am very proud of my Holiday Stationstore as well as the other fourteen individuals who I work with. We have many great and loyal UP customers who regularly shop at our location for the items they need including gasoline, fountain drinks, food items and other products. However, I cannot count the number of occasions I have been asked by a customer why we cannot sell beer. When I try to explain that current state law makes it difficult for a convenience store to get a license, the customer often inquires why a nearby convenience store has a license. For example, there is a BP only a half a mile away from my convenience store that can sell beer. I don't know how they are able to obtain such a license with the \$250,000 inventory requirement, but, as I have often heard, some retailers will apply for a license and make sure that the required amount is on-hand when inspected by the Michigan Liquor Control Commission. Whatever the reason, it does not seem fair that the current law will give a competitive advantage to another operation such as BP.

I know that if I was able to carry beer, I would certainly increase my sales in other areas such as gasoline and the food products that Holiday offers. Customers have told me they would stop at my Ishpeming store when they want to buy beer if I was able to carry it. In these very difficult economic times and with individuals being very careful where to spend their money, Holiday and other responsible retailers must have the option to at least offer beer and wine in order to remain competitive with other convenience stores.

In addition, we are not just competing against other convenience stores like BP, but also big box operations that sell gasoline. For example, a large retailer like Wal-Mart can have gasoline pumps on its site and be able to obtain a license because their large stores easily support an inventory minimum of \$250,000. Also, it is very common for food stores to have gasoline pumps on their premises and, again given the large nature of their operations, they can obtain a license by having the required inventory on hand. The increased competition from big box stores obviously takes some retail petroleum gallons from convenience stores and puts additional pressure on profit margins. Not having the ability to compete by selling beer and wine makes matters even worse.

The combined affect of having so many competitors located near my store that can sell beer means that I know I am losing sales. For most people, even when they are a loyal customer, it makes no sense to stop at a Holiday when you want to buy beer, gasoline and other products when you know you can't purchase your beer here. People live busy lives and they like to economize on their time when shopping for all of their products. An otherwise loyal Holiday customer who would stop and buy everything at my store will

very likely stop at BP or a food store just simply to make one trip. This is a source of a great deal of frustration for me and my employees as we are being put at a significant disadvantage given the very unusual licensing laws that we have in this state.

If we are able to obtain a beer license, we would certainly conduct ourselves as a responsible seller of this age-restricted product. We sell other age-restricted products and I train my employees very thoroughly on the importance of insuring that an underage individual does not obtain these types of products. I have counseled, disciplined and terminated employees who don't meet Holiday's high standards for conducting sales of age-restricted products such as tobacco. If we are able to sell beer, I will work to diligently enforce our policy so that underage individuals do not obtain this product.

As I understand the Bill, the law would be amended to allow a store like mine to obtain a license to sell beer and wine if we maintain on premises \$20,000 worth of merchandise at cost excluding certain items such as gasoline. I believe a \$20,000 inventory level is a fair and an appropriate amount to ensure that there is a legitimate business selling other products besides gasoline, alcohol, tobacco and consignment products. I know my store always has on hand an inventory of this level so we could apply for a license in good faith that we will have sufficient product regardless of when the Michigan Liquor Control Commission inspects my Ishpeming store.

To conclude, I would respectfully request that the Committee vote favorably on this Bill to improve the climate for retailers such as Holiday that have done business in this state

for so many years. We are not asking for an advantage of any kind; we are only requesting a level playing field, that we be given the ability to sell a legal product like our competitors can. I greatly appreciate your time and can respond to any questions that you may have. Thank you.